

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Telecommunications Relay Services and)	
Speech-to-Speech Services for)	CG Docket No. 03-123
Individuals with Hearing and Speech)	
Disabilities)	

**JOINT REPLY COMMENTS OF SNAP TELECOMMUNICATIONS, INC., SORENSON
COMMUNICATIONS, INC., AND SPRINT NEXTEL CORPORATION**

Snap Telecommunications, Inc. (“Snap”), Sorenson Communications, Inc. (“Sorenson”), and Sprint Nextel Corporation (“Sprint Nextel”) submit these joint reply comments to emphasize that (i) the National Exchange Carrier Association (“NECA”) has proposed only one lawful rate for video relay service (“VRS”) for the 2007-08 rate year; (ii) the Commission must reject NECA’s proposed exclusions of various costs projected by providers; and (iii) adopting the one lawful rate proposed by NECA would serve the public interest.¹

First, the record in this proceeding demonstrates broad dissatisfaction with virtually all of the twenty-four alternative VRS rates proposed by NECA for 2007-08. There is no support for any of NECA’s proposals other than the \$6.7738 rate based on providers’ projected cost and demand data.² As Sprint Nextel and Sorenson

¹ Sprint Nextel believes these same points apply with equal force to all forms of telecommunications relay for which NECA made recommendations in its May 1, 2007 filing.

² See Comments of Sorenson Communications, Inc. at 1, 3, 7-8, 13-17 (“Sorenson Comments”); Comments of Sprint Nextel Corporation at 3 (“Sprint Nextel Comments”);

demonstrated in their initial comments, all of the other rates proposed by NECA are unlawful.³

Second, although the Commission may exclude projected costs that are not reasonable, the record demonstrates that NECA has proposed to exclude certain provider-projected costs that in fact *are* reasonable, including costs for outreach, marketing, certified deaf interpreters, interpreter training, indirect provider expenses, and research and development.⁴ It is particularly egregious for NECA to propose to exclude costs needed for research and development; much of those costs are needed to provide functionally-equivalent 911 service, a goal that the FCC has recognized is critical to the

see also Comments on Interstate Relay Services Fund Payment Formula and Fund Size Estimate of Hands On Video Relay Services, Inc. at 34 (May 15, 2007) (“Hands On Comments”); Verizon’s Comments on Payment Formula and Fund Size Estimate at 3 (“Verizon Comments”). (Except where otherwise indicated, all filings cited herein were submitted in CG Docket No. 03-123 on May 16, 2007.) Separate and apart from the twenty-four NECA proposals, CSDVRS and Hands On have endorsed a “tiered” rate structure that would compensate each VRS provider according to a sliding scale of rates applied to monthly minutes. Comments of CSDVRS, LLC on Payment Formula and Fund Size Estimate at 9-12, 18 (“CSDVRS Comments”); Hands On Comments at 51-64. Whatever the merits of this approach, it is procedurally improper to consider it in the current rate-setting proceeding. If the Commission wishes to consider a tiered rate approach, or, indeed, *any* other approach (including the price cap approach proposed by VRS providers), it should do so in the *TRS Rate Methodology* proceeding. *See Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Further Notice of Proposed Rulemaking, 21 FCC Rcd 8379 (2006) (FCC 06-106) (“*TRS Rate Methodology Proceeding*”). Unless and until the Commission releases an order in that proceeding adopting a new rate approach, however, the Commission remains bound by its existing approach for establishing the VRS rate. *See* Sorenson Comments at 5-6, 10-11 & n. 15; Sprint Nextel Comments at 1-3; Verizon Comments at 1, 3, 5-6; *see also* Hands On Comments at 40.

³ Sprint Nextel Comments at 1-3; Sorenson Comments at 3-4, 6-9, 12-13.

⁴ *See* CSDVRS Comments at 12-17; Comments of Hamilton Relay, Inc. at 6 (“Hamilton Comments”); Hands On Comments at 11-26, 37-38; Comments of Bob Segalman, Ph.D and Rebecca Ladew at 1-2 (filed May 15, 2006); Sorenson Comments at 17-25; Sprint Nextel Comments at 3-5; Verizon Comments at 4-8.

health and safety of deaf VRS users.⁵ To deny research and development costs needed to achieve that goal is simply insupportable.⁶

Likewise, a key component for driving increased accessibility to VRS as required by the ADA, as well as compliance with other Commission objectives such as the requirement for interoperability among VRS providers, is the ability of VRS providers to invest in and be reimbursed for their reasonable outreach efforts (both unbranded and branded) to deaf and hard-of-hearing individuals. A forced reduction or elimination of such expenses would be particularly harmful to new entrants and smaller providers like Snap that significantly rely on outreach and marketing to inform consumers of their new offerings and, equally importantly, to recruit interpreters and other key staff into their companies.⁷ This result, of course, would be squarely inconsistent with the pro-competition public policy approach the Commission has rightly embraced for VRS since the inception of the service. The new federal procedures for certifying VRS providers is but the latest example of this sensible policy approach.

⁵ Various VRS providers have previously explained that, without reasonable reimbursement rules in place, it is impossible for them to commit the funds needed to develop a solution for providing emergency services over VRS. See AT&T 2007 Annual Report on TRS Waivers at 2-3 (Apr. 16, 2007); Hands On VRS 2007 Report on Progress of Meeting Waived Requirements at 1-2 (Apr. 16, 2007); GoAmerica's Annual Report on Waived Requirements for IP Relay and Video Relay Services at 2 (Apr. 11, 2007).

⁶ See Hands On Comments at 13-21, 37 n.20; CSDVRS Comments at 15-17; Hamilton Comments at 6.

⁷ This latter point regarding the importance of outreach and marketing for interpreter recruitment is perhaps underappreciated by NECA and the Commission. Outreach and marketing is not simply about expanding the number of users that can participate in VRS. Rather, if one provider's customer demand goes up significantly, for example, that provider will have to incur additional costs for outreach (including branded outreach) in order to recruit additional interpreters and thereby maintain a high quality of service to all its customers, including those it just worked so hard to obtain.

Third, the one lawful rate proposed by NECA not only has the merit of being consistent with prior Commission precedent and practice, but also would serve the public interest by encouraging all providers to operate more efficiently.’ As the Commission previously has noted, a primary virtue of this competitive paradigm is that it “rewards efficient providers while . . . creat[ing] incentives for providers with above average costs to reduce their costs.”⁸ Moreover, all providers are encouraged to continue to look for ways to improve the availability and quality of their service in order to enhance the appeal of their service to deaf Americans.

The Commission therefore should reject the twenty-three unlawful VRS rates proposed by NECA and adopt a rate based on providers’ reasonable projections of cost and demand.

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As providers have explained, a multi-year price cap approach would be more appropriate than the current approach for establishing rates for VRS and IP Relay. See Sorenson Comments at 16 n.30 (citing filings of other providers and summarizing the benefits of price cap regulation); Joint Comments of Communications Access Center for the Deaf and Hard of Hearing, *et al.*, at 2-4 (Oct. 30, 2006).

⁹ *Telecommunications Services for Individuals with Hearing and Speech Disabilities; Recommended TRS Cost Recovery Guidelines*, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 22948, ¶ 9 n.27 (2001).

Respectfully submitted,

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